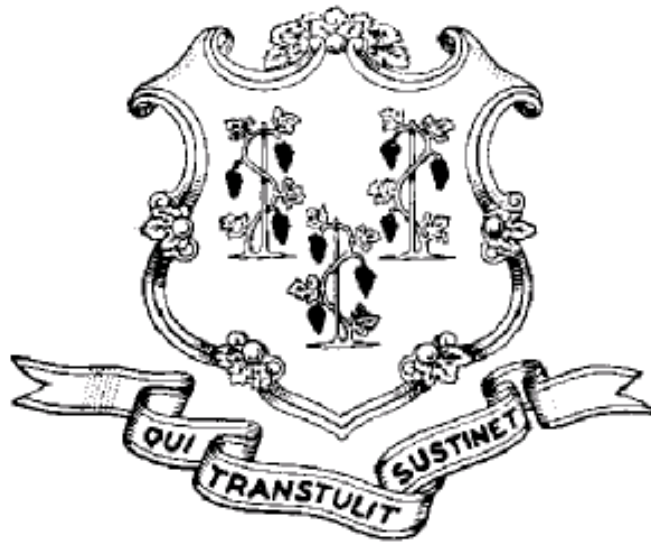


STATE OF CONNECTICUT
PURCHASING CARD PROGRAM

**AGENCY PURCHASING CARD
COORDINATOR MANUAL**



May 2004

P-Card Program Administrator
Kerry DiMatteo
DAS/Procurement Services
165 Capitol Avenue
Hartford, Connecticut 06106
Phone # (860) 713-5072
Fax # (860) 713-7484
Email: kerry.dimatteo@po.state.ct.us

Assistant Director
Elise Helmecki
OSC/Policy Services
55 Elm Street
Hartford, Connecticut 06106
Phone # (860) 702-3434
Fax # (860) 702-3634
Email: elise.helmecki@po.state.ct.us

Website: <http://www.das.state.ct.us/busopp.asp>

	<u>PAGE</u>
TABLE OF CONTENTS.....	2
INTRODUCTION.....	3
POLICY FOR PURCHASING CARDS.....	3
AGENCY PROGRAM COORDINATOR.....	6
CARD ADMINISTRATION.....	6
AGENCY COORDINATOR RESPONSIBILITIES.....	6
Guidelines for the Payment of the P-Card	
Travel Account	
Purchasing-card Payment Procedures	
PVS Net System	
Procedure for Allowable Services	
CARDHOLDER RESPONSIBILITIES.....	13
Security	
Purchasing Card Log	
How to Use the Purchasing Card	
Returns, Credits and Disputed Items	
INTERNAL CONTROL.....	17
MANAGEMENT INFORMATION.....	20
APPENDICES	
- MINI GLOSSARY OF TERMS	
- EXHIBITS	
A- Purchasing Card Application/Change Form	
B - Purchasing Log	
C - Transaction Dispute Form	
D – Coordinator Form	

INTRODUCTION

Welcome to the State of Connecticut MasterCard Purchasing Card Program. The State of Connecticut Purchasing Card (P-Card), issued by Bank One, is a charge card which acts as a procurement tool offering an alternative to the existing State procurement processes and provides an extremely efficient and effective method of purchasing and paying for a variety of items.

The Purchasing Card Program (P-Card Program) is designed to delegate authority and capability to quickly and conveniently purchase approved items directly from the vendors that accept the MasterCard charge card. This program, co-sponsored by DAS/Procurement Services and the Office of the State Comptroller, was created with the assistance of many staff members and is designed to more efficiently meet your purchasing needs and those of the State.

The benefits of the purchasing card to you and the State are significant and include:

Benefits to the Cardholder:

- Obtain goods and services much faster and easier than before.
- Significantly reduces workload related to the purchase of and payment for goods.
- Allows the Cardholder to be more efficient and to focus on the value added aspects of their job.
- Significantly reduces clerical processing time and time associated with the approval process.
- Provides end users with greater autonomy.

Benefits to the Agency:

- Only one (1) monthly statement will be received for verification and reconciliation.
- No need to prepare and obtain approval signatures on internal order forms.
- No purchase order is required; therefore no typing and tracking of individual purchase requisitions and receiving reports are required.
- Monthly approvals required rather than individual purchase order and invoice approvals.
- Receive orders immediately or within days instead of weeks.

Benefits to the State:

- Reduces the number of purchase orders, invoices and checks.
- Enables DAS/Procurement Services and the Comptroller's Accounts Payable Division to focus on higher yield value added activities.
- Reduces the number of vendors in the State vendor file database.
- Prompt payment to the vendor results in better prices and improved vendor relations.
- Significant reduction in the number of paper transactions.
- DAS/Procurement Services will have more information to negotiate better contracts.

Benefits to the Vendor:

- Receives prompt payment
- Increases cash flow
- Eases operation
- Reduces paperwork
- Reduces accounts receivable overhead costs

P-Card services must be obtained through participation in the statewide contract administered by DAS/Procurement Services in conjunction with the Office of the State Comptroller, Accounts Payable Division and Policy Services Division. The DAS/Procurement Services Division and the State Comptroller's Office are responsible for monitoring the effectiveness of the P-Card Program and user compliance with the procedures outlined in this manual, the Cardholder/Travel Account Work Rules and the agency procedures.

POLICY FOR P-CARDS**Commodities**

The P-Card is to be used for official State of Connecticut purchases wherever MasterCard is accepted and in conjunction with current state contracts. In addition, the P-Card is to be used in conjunction with agency purchasing policies.

Allowable Services

A purchase of services option is available to agencies currently on the P-Card Program. Service providers that have been approved by the Comptroller's Office can be paid using the P-Card. The criteria for approval are based on incorporated vendors providing non-reportable services and that a current W-9 form is on file. The service providers must be vendors state agencies currently do business with and would like to use the P-Card for payment (See "Procedures for Allowable Services," p. 12).

Unacceptable purchases with the card (except as approved by OSC and DAS):

- Alcoholic beverages
- Automotive gasoline for state vehicles
- Cash Advances
- Gifts*/Donations
- Personal items
- Items prohibited by your agency

*Gifts may be purchased for individuals in custodial care of the state with state funds approved for this purpose.

Acceptable Purchases with the Card:

- Approved state purchases as prescribed by your agency.

Merchant Category Control Groups (MCCG)

Merchant Category Control Groups have been set up by the Administrator with Bank One. These MCCG's or Codes are used to indicate what type of allowances or restrictions should be encoded into the MasterCard.

The following codes are to be used by the Agency Coordinator when filling out the "Cardholder Controls" section of the Purchasing Card Application.

Action	MCCG	Dollar Limit
Travel Ghost Account for purchasing airline tickets or rail tickets	SOCT Include	\$2,500
Basic card for purchasing commodities	TE4 Exclude (this stays Exclude)	\$1,000
Frequent traveler card for lodging, auto rental and gasoline for auto rental	SOCAL Include	\$1,500
Used at Div. Of Special Revenue for purchasing airline tickets, lodging, auto rental and gasoline for auto rental	SOCT Include SOCAL Include	\$1,500 \$2,500
Commodities, lodging, auto rental and gasoline for auto rental	CT Include	\$1,000
2 Way Split Travel: Lodging, auto rental, gasoline Commodities	SOCAL Include CT Include	\$1, 500 \$1, 000
3 Way Split Travel: Airline tickets, rail tickets Lodging, auto rental, gasoline Commodities	SOCT Include SOCAL Include CTT Include	\$2,500 \$1, 500 \$1, 000

Agencies are liable for authorized charges made using the card. Contact the P-Card Program Administrator with any questions regarding the appropriate use of the P-Card.

Agencies must follow the written procedures for use of the P-Card. The agency Program Coordinator is the liaison between your agency, DAS, OSC and the bank.

AGENCY PROGRAM COORDINATOR

Each agency will have a Program Coordinator. This person is responsible for card issuance, card cancellation, and communicating to the Program Administrator. The Program Coordinator will receive the cards, reconcile the accounts, and have access to the PVS Net Internet application.

CARD ADMINISTRATION

P-Cards will be issued to individuals who have appropriate purchasing authority. They are issued with the name of the cardholder embossed on the front. Cardholders must sign the Cardholder Acknowledgement on the Purchasing Card Application form at the mandatory training prior to obtaining the P-Card.

When the vendor at the point-of-sale requests a purchase authorization, the MasterCard system validates the transaction against pre-set limits established by the agency. All transactions are approved or declined (instantaneously) based on the following P-Card authorization criteria:

- Dollar limits per transaction not to exceed \$1,000 for commodities or \$1500 for travel use
- Dollar limits per cardholder not to exceed \$15,000 (except with prior approval of DAS and OSC)
- Number of transactions per day
- Number of transactions per billing cycle
- Merchant Category Code (MCC) established by the bank and encoded into card.

The authorization process occurs through an electronic system that supports the P-Card processing services under the State's agreement with Bank One. In addition, DAS/Procurement Services and the Office of the State Comptroller's Accounts Payable Division and Policy Services Division have the capability to view a large selection of daily reports to effectively monitor the use of P-Cards. The DAS/Procurement Services Division will also identify opportunities to further maximize the State's significant buying power through contract negotiations and contract administration.

AGENCY COORDINATOR RESPONSIBILITIES

- Completing Purchasing Card Agency Record Form and attending the mandatory training session with the Cardholders
- Identifying potential Cardholders
- Approving all Purchasing Card Application/Change Forms
- Reconciling the Purchasing Card Log to the PVS Net statement
- Assisting Cardholder in verifying and resolving returns, credits and discrepancies, as needed
- Maintaining the Purchasing Card Logs with reporting documentation in a secure location at

- all times (locked cabinet is required) if retained centrally
- Collecting and maintaining receipts from Cardholder(s) ensuring timely retrieval for auditing purposes
- Assisting Cardholder in resolution of problems or questions about purchases, as needed
- Retaining documentation at specified location, in compliance with State guidelines for record retention
- Overseeing Purchasing Card Program for their respective agency
- Conduct training for cardholders as required

Guidelines for the Payment of the P-Card

The agency's accounting unit/business unit is responsible for processing payments to Bank One. The following guidelines must be observed when processing payments:

- The **full amount** of the P-Card invoice must be paid by the due date. See the payment schedule provided for the current fiscal year.
- Each agency is set up with its own account number at Bank One and in the Core-CT System.
- To assist Bank One in identifying payments, the **agency account number** must be provided in the invoice number field when processing payments. Do not put any other numbers or other information in this field except your agency account number.
- One consolidated account balance for all P-Cards within each organizational unit specified by the agency, or entire agency, can be drawn down by the agency using the PVS Net system. The statement information is not captured in Core-CT.
- The accounting date on the voucher should be the end of the billing cycle or the last date goods were received in for that billing cycle but never past the 10th of the month.
- The document date should be the date the bill is generated from the PVS Net system.
- The payment due date is established by the terms of the contract with Bank One. **The payment must be received within twenty-four days after the date of the P-Card billing cycle cutoff.** Two business days are needed for processing the Automated Clearing House (ACH) function. If the payment date is a holiday or weekend, it must be paid on the Friday before the holiday, weekend or the last business day. Therefore, all payments must be processed by the agency according to the payment schedule provided by the Policy Services Division of the State Comptroller's Office. When entering voucher data, the payment due date feature **must** be used when preparing voucher prior to the due date. Payment of the July bill each year is charged in full to the new fiscal year, even for those transactions that occurred prior to the end of the previous year.
- Agencies can confirm their balances directly with Bank One by calling the Customer Service number, 1-800-316-6056.

- Bank One's taxpayer identification number and suffix (TIN) **36-0899825-01** must be used as the vendor identification on the Core-CT voucher page.
- Only one account number should appear in the invoice number field. If you are making payments on any other accounts due to consolidation within your agency, you must issue a separate payment for each account.
- **The full amount of the P-Card invoice must be paid by the due date. Interest is not to be accrued on this account. Failure to make the payment on time may cause all of your P-Cards to be canceled.** Your agency will not be eligible to participate in the program until assurances can be made that the payments will be made on a timely basis. Disputed amounts and credits will appear on subsequent invoices. Monthly invoices must not be reduced by unapplied credits. Your agency will be responsible for payment of any interest if the payment is delinquent. Interest is calculated on the average daily balance on the state agency bill, beginning on the eleventh day of the month.
- If finance charges are incurred on the P-Card due to late payment of the Bank One bill, agencies are instructed to pay these finance charges. Agencies should add a line to their Purchasing-card purchase order for the interest payment. In addition, the agency head should send a written memo approving the finance payment to the Office of the State Comptroller, Attention: Mark Aronowitz, Director – Accounts Payable Division and should include an explanation of why the payment was not made on time.

TRAVEL ACCOUNT

Travel Option – Hotel and Car Rental Purchases

A travel option is available to agencies currently participating in the P-Card Program. This option is available to frequent travelers within an agency. The P-Card, modified with this travel option, allows for payment of cost of hotel lodging, car rental and gasoline for car rentals.

When using the travel option, all personal expenses, i.e., meals, movie rental, personal telephone charges, restaurant, room service, gasoline for state vehicles, etc, must not be charged to the State of Connecticut Purchasing Card.

Travel Account – Airline and Rail Ticket Purchases

The Travel Account allows purchasing authority to be delegated to one person, the Travel Account Cardholder, within an agency, who is then designated as the “Travel Coordinator” enabling him/her to place orders directly with the State contracted vendor, Sanditz Travel. For additional information on the contract: http://www.das.state.ct.us/Contracts/978_0745.pdf

Agencies may utilize other travel resources (ie. Web based travel services) to coordinate and procure their travel arrangements.

State purchases made through the Travel Account should be in accordance with Travel Regulations established by DAS. The Travel Account is to be used for purchases related to State business only. The Travel Account is only to be used for the purchase of airline/rail tickets which can be purchased through the State contracted vendor, Sanditz Travel.

Each Travel Account will have a maximum amount of \$2,500 per transaction. The Travel Account will reject purchases for amounts greater than this limit. Each airline ticket purchased represents a single transaction. If an individual ticket transaction exceeds \$2,500, a purchase order must be completed for the travel service vendor.

The pre-set limits established for the Travel Account are the following:

- 25 transactions allowed per day
- 100 transactions allowed per month
- Single purchase limit not to exceed \$2,500
- \$15,000 spending limit per month
- Merchant Category Code Group (MCCG): SOCT Include

How to Use the Travel Account

The purpose of the Travel Account is to make purchasing and paying for airline/rail tickets easier. Agencies need to establish their own internal procedures in order to customize the Travel Account to most effectively meet the needs of their agency. To purchase airline/rail tickets use the following steps:

Contact: Call Sanditz Travel at 860-346-5511. **To ensure proper billing to the appropriate agency, only the Travel Account cardholder should contact Sanditz Travel.**

Book: Give the Sanditz representative your 4 digit agency number to reserve airline/rail tickets.

Attain: The traveling employee should get approval from the head of your agency or designee, via a travel authorization number (TA number), for the airline/rail tickets you have reserved.

Ticket: Call Sanditz Travel and give them the TA number. Sanditz Travel will automatically charge your Travel Account to purchase your tickets.

Record: Enter the purchase transaction information on the Travel Log Sheet. See “Completion of the Travel Log Sheet” in the next section.

Retain: Retain all documentation pertaining to the purchase of the airline/rail ticket. Documentation must be kept in the envelope by the cardholder (Travel Coordinator) for reconciliation to the Travel Account Statement.

Cancellations: The cardholder (Travel Coordinator) is responsible for canceling airline/rail tickets. These arrangements should be made directly with the vendor.

COMPLETION OF THE TRAVEL LOG SHEET

The Travel Log Sheet, CO-502 (Exhibit A of this document) has been preprinted on an envelope used to maintain all documentation related to Travel Account transactions. *This log needs to be filled out for each transaction. The log lists the following information:

Primary Cardholder Name	Rail/Airline
Agency Number/Name/Department	Amount
Billing Cycle (date)	Returned/Credited/Disputed Item
Date of Purchase	Cardholder Signature/Date
Employee Name (person traveling)	Supervisor/Reviewer Signature/Date
Travel Authorization Number	Total Dollar Amount
Dates of Travel	

* The Travel Log Sheet (envelope) was developed and intended for the convenience of reconciliation and ease of auditing. Use of the Travel Log Sheet (envelope) is strongly recommended. However, agency procedures may differ from this process if compensating controls are already in place. Please refer to your agency procedures for information regarding the Travel Log Sheet (envelope).

RECONCILING YOUR TRAVEL ACCOUNT

Each Travel Coordinator (cardholder) will receive a PVS Net Statement from the agency P-Card Coordinator each billing cycle (cycle cut-off date is the 10th of each month). The statement identifies each transaction made with the Travel Account during the billing cycle, and must be reconciled against the cardholder's Travel Log. Remember: Billing for your Travel Account purchases will be included in your Agency's P-Card bill. You will make only one monthly payment to Bank One.

Resolving Travel Account Errors and Disputes

If the incorrect charge is due to travel for another state agency being incorrectly billed to your account, contact the Program Administrator and the other state agency. In such cases, adjustments will be accomplished through use of a Transfer Invoice between the affected agencies.

Travel Accounts will be paid in full regardless of whether or not there is a disputed transaction. If Bank One needs to investigate a disputed transaction; you will be notified of the resolution upon completion of the investigation. If the dispute is settled in your favor, your account will be credited for the disputed transaction amount.

CHANGING THE TRAVEL COORDINATOR

The Travel Account is listed in the Travel Coordinator's name. The Travel Coordinator is the cardholder and his/her name is on the account with Bank One. If the Travel Coordinator changes or leaves the agency or State service for any reason, the travel account must be closed/deleted and a new application must be submitted for the new employee designated as the Travel Coordinator.

Since the account is in a specific person's name (the Travel Coordinator), the account needs to be closed. We cannot just keep the account number and switch the Travel Coordinator name.

To Change the Travel Coordinator

1. Fill out a State of Connecticut Purchasing Card Application Form with the old/former Travel Coordinator's name and account number. Check the box marked "Closed" and circle "Delete."
2. Fill out a second State of Connecticut Purchasing Card Application Form with the new Travel Coordinator's name and all the required information. Please note: In the "Cardholder Approvals" section, the Agency Head or designee, is required to sign off on the application.
3. Send both forms to the P-Card Administrator.

Purchasing Card Payment Procedures

Overview

The Purchasing Card coordinators will create Core-CT vouchers to pay Bank One for the full amount of the billing statement. This bill must be paid on time for the entire amount. The voucher will be processed against the P-Card Purchase Order. A Journal Voucher may need to be processed to change chartfield distributions not captured on the voucher that was generated in Core-CT.

Detail Procedures

1. Users will reconcile their Purchasing-card transactions using PVS Net for the appropriate billing period.
2. Review the purchase order that was uploaded into Core-CT to confirm that the data is correct. Consider the following when reviewing the PO:
 - The purchase order will be PO ID "0000000001" for the agency Business Unit.
 - Do not change the PO Line sequence.
 - Chartfield distribution can be corrected
 - Additional lines can be added (Refer to WLA [Web Based Learning Assistant]: Create and Maintain Procurement Card POs).
3. Purchasing will submit the PO for approval. (Refer to the WLA: Submit an Online PO for Approval).
 - The Amount Approver and Budget Approver will approve the PO for processing. The PO will be Budget checked and Dispatched through the batch processes.

4. The Voucher Processor will create a voucher copied from the Purchasing-card PO (0000000001) from Step 2 for the full amount of the billing period (amount is referenced on the Purchasing-card from Bank One).
 - The invoice date on the voucher should be the last day of the billing period (10th of the month).
 - Agency Account number must be added in the invoice number field.
5. The voucher will be processed through normal voucher processing. To verify that the voucher was created correctly. (Refer to the WLA: Viewing Voucher Information).
6. To verify the Purchasing-card PO Balance after the voucher has been processed, run the PO Balance Report to view the balance left on the PO lines.
7. If Chartfield adjustments need to be made to the Voucher from step 3, create a journal voucher to capture the new distribution date.

PVS Net System

PVS Net allows the Agency Coordinator to view transaction information, and run reports (see “Management Information,” p. 16 for additional information). A PVS Net account will be established for the Coordinator in each agency and a password will be provided when cards are distributed. The Coordinator can then access information on all P-Card activity for the agency and monitor usage by each cardholder.

PVS Net statements are run at the end of each billing cycle to determine the agency’s monthly bill. Statements are run for each cardholder and are used to reconcile the cardholder’s account in accordance with agency procedures. Bank One does not provide individual statements to the agency or cardholders.

The Department of Administrative Services pays all costs for the PVS Net system; there is no cost to the individual agency.

Procedure for Allowable Services

Agencies may pay for services with the P-Card only if the vendor is on the Comptroller’s list of approved service vendors. The approved vendors listing can be accessed on the web by entering <http://www.osc.state.ct.us/pcardsvcs> in the location area of your browser. A username and password box will pop up. The password is case sensitive and must be entered in lower case. The username and password will be given to you when you implement the P-Card program. Once you access the service vendors listing you will be able to see if a vendor is approved, denied, or still pending.

If a service vendor you wish to use is not on the approved list, you can submit a request to add a

new vendor. The web site has a link for submitting such requests.

The Agency Coordinator should provide cardholders with the list of approved service vendors for their agency and instruct them to use the P-Card only with approved service vendors.

Please refer to the DAS website, e-Procurement, P-Card section for more information regarding FAQ's and services.

http://www.das.state.ct.us/Purchase/PCard/PCard_Home.asp

UNDER NO CIRCUMSTANCES SHOULD PURCHASES BE CHARGED TO THE P-CARD WHILE A SERVICE VENDOR'S APPROVAL IS STILL PENDING. IF YOU MUST USE A SERVICE VENDOR PRIOR TO APPROVAL, PAYMENT MUST BE MADE BY MEANS OTHER THAN THE P-CARD.

CARDHOLDER RESPONSIBILITIES

- Completing a P-Card Application Form and obtain approval signature.
- Using the card for State purchases and approved items only.
- Recording all purchases on the P-Card Log, CO-501 and maintaining all supporting documentation (e.g., proper receipts, vendor order forms, cash receipts, etc.)
- Ensuring receipt of goods and following up with the vendor to resolve disputes and arranging for returns, credits, delivery problems, etc.
- Reporting lost or stolen card immediately.
- Safeguarding card security at all times.
- Ensuring the reconciliation of the P-Card Log to the PVS Net statement.
- Completing the reconciliation process as required by agency procedures.
- The cardholder is responsible for all purchases made with the card and for making such purchases in accordance with the procedures outlined in the Cardholder Work Rules and your agency's procedures.
- Only the cardholder is authorized to use the card.
- The cardholder is responsible for repayment of improper charges and has personal liability for misuse.

Security

Authorized use of the P-Card is limited to the person whose name appears on the face of the card. The P-Card **must not** be loaned to another person. If the cardholder is going to be absent from work for an extended period of time, a separate card may be issued to a different person with purchasing authority for the duration of the absence.

The P-Card should be kept in an accessible but secure location. The account number on the P-Card should not be posted or left in a conspicuous place.

Cardholders must return the P-Card to the Agency Program Coordinator immediately upon request or upon termination of employment (including retirement).

The Agency Program Coordinator should be contacted when changes need to be made to

existing P-Cards. If a new P-Card needs to be issued, the cardholder should receive the replacement card in 7-10 business days. If the P-Card is lost or stolen, the cardholder must immediately notify Bank One and the Agency's Program Coordinator.

The State of Connecticut is liable for the use of the P-Card by authorized users, provided that use is within the single per transaction dollar limit. The State does not accept liability for the following:

- Unauthorized use of the P-Cards.
- Account numbers that are fraudulently used.
- Purchases made with stolen or lost cards that are beyond the maximum limit of \$50 and the maximum length of liability of 24 hours after discovery and reporting of card loss or theft.

P-Card Log

The P-Card Log, CO-501 (See Exhibit B) has been designed to meet the needs of the Program. The log has been preprinted on an envelope to maintain all documentation related to a purchase card payment. Cardholders must maintain a log of their purchases so spending limits can be monitored and purchasing activity can be reconciled to the monthly charge card statements.

The purchasing log must be submitted to the Agency Program Coordinator or as agency procedures specify every month only if purchases have been made that month.* A new purchasing log must be established at the beginning of each new billing cycle. The log contains the following information:

- Cardholder Name
- Agency Number, Name/Department
- Billing Cycle Date
- Date of Purchase
- Vendor Name
- Description of Purchase
- Amount of Purchase
- Object Code
- Returned/Credited/Disputed Item
- On Contract/SBE/MBE/WBE
- Cardholder Signature and Date
- Supervisor/Reviewer Signature and Date
- Total Dollar Amount

* The P-Card Log envelope was developed and intended for the convenience of reconciliation and ease of auditing. Use of the envelope is strongly recommended. However, agency procedures may differ from this process if compensatory controls are in place. The Comptroller's Policy Services Division must approve procedures that differ from the recommended practice.

How to Use the P-Card

1. Identify a vendor that sells the goods needed. Determine if the transaction total is less than the authorized transaction limit on your card. If not, the transaction must be processed in accordance with established procurement policies and procedures.

If the product or service being ordered is available from a State contract supplier, the order must be placed with the State contract supplier.

Always use the State contract unless the vendor cannot meet the business needs of the agency in terms of delivery time. If you use a non-contract vendor, make a note on the P-Card Log in the space for Returned/Credited/Disputed Item that this was an “emergency purchase” to indicate that the contract vendor could not meet the agency’s business needs.

2. Call or go to the vendor's place of business and place the order. Advise the vendor that the purchase will be made using a MasterCard P-Card. **EMPHASIZE that the State is a tax-exempt institution.** If the supplier requests the State’s Tax Number, provide the supplier with the tax number on the front of the Purchasing Card. A copy of the tax-exempt certificate from the Department of Revenue Services may be faxed to the supplier as proof of the State’s tax-exempt status.
3. Give the vendor the account number and expiration date on your purchasing card. The vendor will verify the account number with Total Systems. The spending limit will be checked electronically for compliance with applicable limits. Important: Tell the vendor that the address label/packing slip that accompanies the package must contain the following information; cardholder’s name, agency name, building and room number, street and city address. Packages that are not labeled as described may delay the delivery of items ordered indefinitely. **Under no circumstances should the vendor indicate the P-Card number on any address label or packing list. Listing of it would threaten the security of your card. In addition, please inform the vendor not to send a bill or invoice to the ordering department or your Business Office. Submitting an invoice for a charge card transaction may result in a duplicate payment.**
4. Enter the purchase information in ink on the purchasing log (CO-501). Print legibly.
5. Documentation **must** be maintained to record the transaction at its source. Documentation **must** support the legitimate business purpose of all transactions made with the P-Card. Supporting documentation should include the following items:
 - Copy of an order form or application when available
 - Packing slip (for goods received) or service report for any service performed by a supplier
 - Cashier receipt or vendor invoice
 - Internal order form when available

This documentation must be kept on file by the Cardholder for reconciliation to the charge card statement.

6. Reconciliation of the P-Card Statement:

- a.** Each month the Agency Coordinator will generate a PVS Net statement for each cardholder that should be compared to the purchasing log to verify that purchases and returns are accurately listed on the statement. Items that were returned are not to be crossed off the purchasing log. The credits are identified as separate transactions and must be included for auditing purposes.
- b.** All documentation pertaining to purchases and returns must be matched with the Card statement.
- c.** Discrepancies should be noted on the purchasing log for subsequent resolution. If sales tax is billed incorrectly to the Cardholder's account, it is the responsibility of the Cardholder to dispute the charge as outlined in the section "**Disputing a Transaction**".
- d.** The P-Card statement and the CO-501, P-Card Log, certifying receipt of all purchases and returns should be forwarded to the cardholder's supervisor or person responsible for approving transactions within a time frame agreed upon by the agency coordinator. The CO-501, Purchasing Log, must be signed by the cardholder and the cardholder's supervisor or other approver.
- e.** All supporting documentation pertaining to the purchases and returns on the statement should be kept on file by the cardholder with the purchasing log until disposition in accordance with agency policies.

Returns, Credits and Disputed Items

In most cases, disputes can be resolved directly between the cardholder and the vendor that provided the goods and services. The cardholder must use the following guidelines when returning an item:

- 1.** If an item needs to be returned for any reason, the cardholder should send the item back to the vendor in the manner agreed upon.
- 2.** The vendor should issue a credit for items that are returned. This credit will appear on a subsequent charge card statement.
- 3.** Documentation of the return (such as a credit receipt) should be issued by the vendor. All documentation pertaining to returns must be kept on file for reconciliation to the charge card statement.
- 4.** The return should be entered on the cardholder's P-Card log. The return should be entered or carried forward on the CO-501 or CO-502 until the discrepancy is resolved. When the discrepancy is resolved, the date of the resolution should be entered on the CO-501.
- 5.** If the cardholder and the vendor cannot resolve an issue, the cardholder should contact the

agency coordinator who will contact Bank One. The bank will investigate the dispute on the cardholder's behalf and assist in the resolution. A temporary credit will be issued pending final resolution.

Disputing a Transaction:

A Cardholder may dispute a charge that appears on their monthly credit card statement. If there is a charge that is not recognized by the Cardholder, or if it appears to be incorrect, the Cardholder **must** submit a Transaction Dispute Form (Exhibit C) with supporting documentation to the agency coordinator.

The Coordinator must phone the Bank One Disputes Team at 1-888-297-0768. If instructed by Bank One Disputes Team, fax completed Transaction Dispute Form to both the Bank One Disputes Team at fax #1-847-931-8861 and the P-Card Program Administrator at fax #860-713-7484.

During the investigation, a credit will be issued to the Cardholder's account for the amount questioned. When the bank has completed the investigation, the Cardholder will be notified of the resolution. If the dispute is not settled in favor of the Cardholder, the account will be charged for the disputed transaction amount.

During the dispute process, the Program Administrator may be required to request copies of sales drafts. When the request is fulfilled, the Cardholder's account will be charged \$5.00 for each copy supplied by the bank.

Reporting a Lost or Stolen Credit Card:

If a P-Card is lost or stolen, it is the Cardholder's responsibility to **immediately contact Bank One**. Bank representatives are available 24 hours a day, seven days a week. When reporting a lost or stolen card, the Cardholder **must** tell the representative the call is regarding a P-Card.

Lost or Stolen Card: 1- 800-316-6056

After reporting a lost or stolen card to the bank, **the Cardholder must also immediately report a lost or stolen card to the State P-Card Program Administrator and the Agency Coordinator.**

Records Retention:

Copies of expenditure documents are to be maintained on file in each agency for 3 years. Agencies participating in Decentralization of Financial Records must maintain original expenditure documents for a period of 5 years.

INTERNAL CONTROL

The agency must establish a program of internal control to address the use of the P-Card as a means of expending State funds. The following is the minimum level of standards acceptable for

departmental internal control systems that will be developed to guide the use of the P-Card.

- Systems are to be clearly documented and readily available for inspection.
- Those persons who are authorized to use cards are to be identified by name.
- All transactions and other significant events are to be promptly recorded, properly classified, and promptly reconciled.
- Transactions and other significant events are to be authorized by persons acting within their scope of authority.
- Key duties and responsibilities should be assigned systematically to a number of individuals to ensure that effective checks and balances exist.
- Spending limits are set for cardholders and offices, including single purchase and monthly limits.
- Cardholder statements are reconciled and approved.
- Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved.
- Access to resources and records should be limited to authorized individuals as determined by the department head.

Each agency has responsibility to ensure that there is written documentation of its internal and administrative control systems on file and that these controls are reviewed on an annual basis and updated where necessary.

All unaccounted for variances, losses, shortages, or thefts of funds or property must be reported immediately.

Audits

To ensure the continued success of the Program and to meet the audit requirements of the State, various government agencies, and the requirements of this program, periodic audits will be made of the Cardholder's accounts to ensure that items purchased have been received and that policies and procedures are being followed.

A Post Audit Committee consisting of one representative each from OSC/Policy Services, OSC/Accounting Services, OSC/Accounts Payable, and DAS/Procurement Services will monitor conformance to these procedures.

Audits will be completed in accordance with the following guidelines:

- The Policy Services Division will perform a periodic post audit and complete a written audit report with findings for each Cardholder account;
- During the pilot program, scheduled on-site audits may be completed for each agency on site at monthly intervals;
- Audit reports will be completed utilizing a post audit checklist to record any infractions against the categories of misuse outlined in the Agency P-Card Coordinator Manual, Cardholder or Travel Account Work Rules, the Agency Procedure Manual or State Accounting Manual;
- Audit reports and findings will be submitted in the aggregate to the Post Audit Committee for their joint review, referral and/or appropriate action.

After full program implementation, yearly audits may be completed on all Cardholder accounts as follows:

- Audits may be completed on each account as time permits subject to the quantity of cards issued;
- Audits will be completed on those accounts where infractions were previously identified on a priority basis;
- Quarterly audits may be completed on all new and existing accounts when a low to moderate volume of cards have been issued;
- An annual audit may be completed as a minimum for each account when a high volume of cards has been issued;
- Random audits may be scheduled at any time in addition to the regularly scheduled audit rotation.

Audits will be conducted for the purpose of confirming compliance to established procedures for card use and to report the following areas of card misuse to the Post Audit Committee for further action:

- Maintenance of documentation standards;
- Use of card for personal purchases;
- Use of card by individual other than Cardholder;
- Use of the card to purchase a restricted item as identified in the Cardholder or Travel Account Work Rules;
- Use of the card in direct violation of acquisitions goals (failure to use existing State

contracts);

- Use of the card in excess of assigned Cardholder limits, available budget and/or after the expiration date of a contract;
- Splitting orders at point of sale to avoid the single transaction limit;
- Receipt of item outside of contract period.

Consequences of misuse will include any one or combination of the following remedial actions:

- Verbal notification of infraction;
- Written notification with copies sent to the P-Card Post Audit Committee and reporting authority;
- Temporary suspension of Cardholder privileges with mandatory re-training (**Suspensions will be assessed for a period of a minimum of thirty (30) days or up to ninety (90) days depending on the severity of the infraction**);
- Card suspension with permanent loss of privileges;
- Disciplinary action up to and including dismissal, personal liability and repayment (**referred to Human Resources Department for disposition**).

Reporting requirements may include any one or combination of the following options subject to the determination of the P-Card Program Administrator and Post Audit Committee.

Formal written warnings will be sent to the individual Cardholder from the DAS/Procurement Services Program Administrator with copies to the Cardholder's immediate supervisor, Dean/Director, or Department Head.

The Commissioner of the Department of Administrative Services and the Comptroller will be copied on the notification based upon the severity of the infraction. The notification will include a warning for P-Card revocation pending further investigation and/or misuse.

MANAGEMENT INFORMATION

The PVS Net System provides agencies detailed management information reports that enable agencies to monitor cardholder usage, policy compliance, and frequency of vendor usage. Management information reports currently available include:

Program Management/Policy Compliance Reports

Cardholder Transaction Review

Transaction Report by MCC Code
Cardholder Statistics
Statement of Account

Supplier Management Reports

Industry Spending Summary Report
Industry Spending Trending

Core-CT – EPM Query Reports

MINI GLOSSARY OF TERMS

Acquiring or Merchant Bank	The bank that signs up a vendor to accept MasterCard
Agency Program Coordinator	The individual who is responsible for maintaining agency cardholder records (monthly statements and purchase documentation).
Cycle	A period of time ending on the same date each month. For example, cycle 10 ends on the evening of the 10th of each month. If the cycle dates occurs on a Saturday, Sunday, or a holiday, the period ends on the business day prior to the cycle date.
Issuing Bank	The bank issuing the Purchase Card to an organization. In the context of the P-Card product, Bank One is the issuer.
Merchant Category Code (MCC)	A standard code that the credit card industry maintains to categorize merchants. The Merchant Category Code (MCC) is similar to a Standard Industry Code (SIC), used for categorizing industrial business types. An acquiring bank assigns the code to a merchant.
Merchant Category Code Group (MCCG)	A defined collection of Merchant Category Codes. MCC Groups are used to control whether or not cardholders can make purchases from particular types of merchants.
Point of Sale Code (POS)	A customer - defined code entered by the merchant at the time of sale that can be used to enhance accounting data.
Post Audit	The periodic review of cardholder records, to further determine the appropriate use of the card and maintenance of records.
Program Administrator	The individual at DAS/Procurement Services who is responsible for overseeing the P-Card program, and to whom problems and questions should be directed.
P-Card Pilot	The "learning" phase of the P-Card program for an agency.
Total System	Total System Services, Inc. is the company that processes P-Card authorization requests and posts cardholder transactions for Bank One.
Transaction	Each time the cardholder uses the P-Card, that counts as a transaction.
Transaction Limits	These limits are set on each individual card. If exceeded, the card will reject at the point of sale.

**STATE OF CONNECTICUT
AGENCY PURCHASING CARD COORDINATOR FORM**

If using this form electronically, tab through form, click into shaded block and type. Please be sure to save on your hard drive before doing so, or print out this form and mail.

Agency Name:

Coordinator Name:

Previous Coordinator:

Address:

Phone:

Email:

Signature:

Date:

Back-up Coordinator

Back-Up Email:

Has the Previous Coordinator shared the program process with you?

☐ Yes ☐ No

Do you need instructions for PVSNET? ☐ Yes ☐ No

******Please be sure to fill out this form and send to Administrator when there is a change in Coordinator**

Any questions Please call Kerry DiMatteo or Maureen Blackburn

Email: Maureen.Blackburn@po.state.ct.us

Kerry.dimatteo@po.state.ct.us

DAS, Procurement Services

165 Capitol Avenue, 5th Floor

Hartford, CT 06106

This form can be found in the Coordinator Manual and on the Das Webpage. To email: Save on your hard drive first then fill it out and attach to email.

PURCHASING CARD PAYMENTS
Schedule of Payment Due Dates
For Fiscal Year 2005

<u>Billing Date</u>	<u>Voucher Posted Posted to Core-CT</u>	<u>Payment Due Date</u>
7/10/2004	7/30/2004	8/02/2004
8/10/2004	8/31/2004	9/01/2004
9/10/2004	9/29/2004	10/01/2004
10/10/2004	10/29/2004	11/01/2004
11/10/2004	11/30/2004	12/02/2004
12/10/2004	12/29/2004	12/31/2004
1/10/2005	1/28/2005	2/01/2005
2/10/2005	3/02/2005	3/04/2005
3/10/2005	3/29/2005	4/01/2005
4/10/2005	4/29/2005	5/02/2005
5/10/2005	5/30/2005	6/01/2005
6/10/2005	6/28/2005	6/30/2005

AIR TRAVEL LOG SHEET

STATE OF CONNECTICUT

AIR TRAVEL PROGRAM

Cardholder Name: _____

Agency #-Name/Department: _____ Billing Cycle Dates _____ to _____

Date of Purchase	Employee Name	TA #	Dates of Travel	Airline	Amount	Comments? R=Returned C=Credited D=Disputed

CO-501 (4/2000)
Cardholder Signature _____ Date _____

Supervisor/Reviewer Signature _____ Date _____ Total \$ _____

P-CARD LOG SHEET

STATE OF CONNECTICUT

PURCHASING CARD PROGRAM

Cardholder Name: _____

Agency #-Name/Department: _____ Billing Cycle Dates _____ to _____

Date of Purchase	Vendor	Description of Purchase	Amount	Object Code	R=Returned C=Credited D=Disputed	On Contract? Yes/No SBE/MBE/WBE
			\$			

CO-501 (4/2000)
Cardholder Signature _____ Date _____

Supervisor/Reviewer Signature _____ Date _____ Total \$ _____

STATE OF CONNECTICUT P-CARD TRANSACTION DISPUTE FORM

File this claim with the Bank One Disputes Team by calling 1-888-297-0768 or by faxing this form to 1-847-931-8861.

Attn: _____ Date: _____

To: Bank One Disputes Team # of pages including this page: _____

Phone #: 1-888-297-0768

Fax #: 1-847-931-8861

I am initiating this dispute on behalf of the customer, State of Connecticut, Corp. # 6130

Name: _____ Relationship to cardholder: _____

Phone #: _____ Fax #: _____

Signature: _____

Cardholder Information

Account Number: _____ - _____ - _____ - _____

Cardholder Name: _____ Phone #: _____

Agency: _____

Transaction Information

Merchant Name: _____ Phone #: _____

Merchant Location: _____

Transaction Date: __ / __ / __ Transaction Amount \$ _____

Please check the appropriate dispute and complete the corresponding information.

☐ I don't recognize this sale.

☐ I never authorized this transaction.

**Cardholder Signature required: _____

☐ This transaction appears twice on my statement, and I only authorized one transaction. **Cardholder Signature required: _____

☐ I paid for this transaction by other means.

**Must provide supportive documentation as proof of payment.

☐ I was billed a different amount than my receipt shows.

****Must provide a copy of the receipt showing the amount that should be billed.**

☐ Other: _____

—

—

Also, fax this to the P-Card Program Administrator at 860-713-7484, for the file.

STATE OF CONNECTICUT PURCHASING CARD APPLICATION FORM

ACTION: check one please <input type="checkbox"/> NEW ACCOUNT <input type="checkbox"/> CHANGE <input type="checkbox"/> CLOSE: DELETE/SUSPEND	TYPE OF ACCOUNT: <input type="checkbox"/> P-CARD <input type="checkbox"/> DEPARTMENT CARD <input type="checkbox"/> PROJECT CARD: EFFECTIVE DATES – START / / END / /	_____ - _____ - _____ - _____ CARDHOLDER ACCOUNT # (required for change or close)
--	--	---

CARDHOLDER INFORMATION				
CARDHOLDER NAME (UP TO 24 CHARACTERS)			EMPLOYEE NUMBER	BARGAINING UNIT
TAX EXEMPT ID NUMBER			WORK PHONE NUMBER () -	
AGENCY NAME - AGENCY NUMBER (ADDRESS LINE 1)			EMAIL ADDRESS	
STREET ADDRESS, ROOM NUMBER (ADDRESS LINE 2)			SOCIAL SECURITY NUMBER* - -	DATE OF BIRTH / /
CITY	STATE CT	ZIP CODE	MOTHER'S MAIDEN NAME OR PASSWORD	

*This information is needed for identification purposes only and will not be reflected on personal credit history.

CARDHOLDER CONTROLS	
CYCLE SPENDING LIMIT - \$	SINGLE PURCHASE LIMIT - \$
MAXIMUM # TRANSACTIONS/DAY -	MAXIMUM # TRANSACTIONS/CYCLE -
PURCHASING AUTHORIZATION (please check one or all that apply) <input type="checkbox"/> COMMODITIES <input type="checkbox"/> HOTEL & AUTO RENTAL <input type="checkbox"/> AIR & RAIL TICKETS <input type="checkbox"/> OTHER/CUSTOM (please explain below)	
MCCG (please leave blank)	

REPORTING HIERARCHY CONTROLS (*please leave Levels 1, 2, 3, 4 blank)				
LEVEL 6 (NAME OF BUSINESS UNIT WITHIN AN AGENCY)		ACCOUNTING STRING		
AGENT NUMBER	*LEVEL 1 (STATE OF CT) 06130	*LEVEL 2 (AGENCY CODE)	*LEVEL 3 (AGENCY #)	*LEVEL 4 (UNIT CODE)

CARDHOLDER APPROVALS			
AGENCY COORDINATOR (please print)	PHONE NUMBER	AGENCY COORDINATOR APPROVER SIGNATURE	DATE
**AGENCY HEAD (please print)		CARDHOLDER SIGNATURE	DATE
**AGENCY HEAD APPROVER SIGNATURE	DATE	PURCHASING CARD ADMINISTRATOR SIGNATURE	DATE

**This information is only needed when the box for Air & Rail Tickets has been checked in the Cardholder Controls section of this form.

CARDHOLDER ACKNOWLEDGMENT OF RECEIPT OF NEW CARD	
I acknowledge receipt of one (1) State of Connecticut Purchasing Card and receipt of all applicable training materials and agree to use the card in accordance with the work rules outlined in these materials and as presented in the mandatory training session.	
SIGNATURE OF CARDHOLDER:	DATE:

BANK USE ONLY				
_____ - _____ - _____ - _____ CARDHOLDER ACCOUNT NUMBER	SIGNATURE VERIFIED	DATE	INITIALS	MANAGEMENT